

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of	)	
Finance, Securities Bureau,	)	Docket No. 1999-7-68
	)	
Complainant,	)	AGREEMENT AND ORDER
	)	
vs.	)	
	)	
SUNDANCE SYSTEMS, INC. and	)	
MICHAEL E. PATMAN,	)	
	)	
Respondents.	)	
<hr style="width: 100%;"/>		

BACKGROUND

The Director of the Department of Finance caused a Verified Complaint to be filed on June 26, 1997 entitled State of Idaho, Department of Finance v. Sundance Resources, Inc., Sundance Systems, Inc., Michael E. Patman, and Ghassan "Gus" Assi, Bingham County Case No. CV 97-740. The Verified Complaint alleges violations of the Idaho Securities Act, Idaho Code §30-1401 *et seq.* On June 29, 1998, Defendants Sundance System, Inc., Sundance Resources, Inc. and Michael E. Patman entered a Stipulation for Judgment with the Idaho Department of Finance. Pursuant to the Stipulation for Judgment, the court entered a Judgment ordering that rescission be paid to all Idaho investors in all securities offerings sold by Sundance Systems, Inc. (formerly Sundance Resources, Inc.). The rescission to Idaho investors has never been paid.

AGREEMENT AND ORDER

NOW THEREFORE, the Department of Finance, Securities Bureau and Sundance Systems, Inc. and Michael E. Patman hereby agree as follows:

FOR VALUE RECEIVED in the form of forbearance by the State of Idaho, Department of Finance in the prosecution of contempt proceedings against Defendant Sundance Systems, Inc. arising from its failure to pay rescission to Idaho residents as ordered by the Judgment entered July 9, 1998; Sundance Systems, Inc. promises to pay the following sums in lawful money of the United State of America: \$50,000 + 6 percent per annum interest from the date of the investment of Mr. and Mrs. Rodney W. Tew, \$25,000 + 6 percent per annum interest from the date of the investment of Mr. and Mrs. John C. Carrick, and \$21,000 + 6 percent per annum interest from the date of the investment of Mr. Roy Turnbull.

Payments are to be paid as follows:

On or before the 1<sup>st</sup> day of October, 1999, the sum of \$20,000 payable by cashier's checks as follows:

\$10,416.67 to Mrs. Rodney W. Tew,  
\$ 5,208.33 to Mr. & Mrs. John C. Carrick,  
\$ 4,375.00 to Mr. Roy Turnbull.

The cashier's checks are to be payable to the parties named above and delivered to the Idaho Department of Finance, P. O. Box 83720, Boise, Idaho 83720-0031.

Commencing with the month of November, 1999, the sum of \$5,000 per month, payable on or before the 15<sup>th</sup> day of each month, such payments to continue until the entire Judgment amount is paid in full. These monthly payment are also to be made by cashier's check payable as follows and delivered to the Idaho Department of Finance:

\$ 2,604.17 to Mrs. Rodney W. Tew,  
\$ 1,302.08 to Mr. and Mrs. John C. Carrick,  
\$ 1,093.75 to Mr. Roy Turnbull.

Respondents shall have the privilege of prepaying the balance due or any portion thereof, without any penalty.

Failure to pay any installment due pursuant to this agreement and order shall cause the entire unpaid balance to again become immediately due and payable, and the Idaho Department of Finance shall be free to take any actions it deems appropriate to enforce the Judgment entered July 9, 1998 against Sundance Systems, Inc. including but not limited to, contempt proceedings.

DONE AND DATED this 11<sup>th</sup> day of OCTOBER, 1999.

SUNDANCE SYSTEMS, INC.

By: [Signature]

Name: NICHOLAS G. PATRAN

Title: CEO

[Signature]

MARILYN T. SCANLAN

Bureau Chief, Securities Bureau

Department of Finance

State of Idaho

IT IS SO ORDERED this 1<sup>ST</sup> day of DECEMBER, 1999



[Signature]

GAVIN M. GEE

Director of Finance